



# FSSA News Release

**FOR IMMEDIATE RELEASE**

## **FSSA announces managed care contractors selected to serve Healthy Indiana Plan and Hoosier Healthwise members**

***New contracts structured to achieve better quality care for members and better value for taxpayers***

Indianapolis (June 10, 2016) – The Indiana Family and Social Services Administration (FSSA) today announced the selection of Anthem Blue Cross and Blue Shield, CareSource Indiana, MDwise Inc. and Managed Health Services of Indiana to negotiate contracts to administer health care services for the approximately 1,000,000 enrollees in the Healthy Indiana Plan and Hoosier Healthwise programs starting January 1, 2017. The contracts would be effective for a maximum of six years.

In procuring the selected vendors, FSSA made a number of enhancements to the contracts to improve the value Hoosier taxpayers receive for the dollars spent in the Medicaid managed care entity (MCE) contracts including:

- Significantly increasing the payment tied to outcomes to further incentivize the MCEs to improve the health of the populations served. The contracts do this by progressively increasing the payment amount withheld and awarded based on outcomes from 2 percent in the first year to 5 percent in year six.
- Adding new program integrity language that requires the plans to work with the state on identifying and investigating health care providers and members suspected of fraud.
- Including pharmacy and dental services in the contract for the Hoosier Healthwise program, aligning with the Healthy Indiana Plan and Hoosier Care Connect programs. Care is improved for members when all services are included and coordinated under one comprehensive contract.

“We used this opportunity to really take a fresh look at what we expect the health plans to deliver and the value Hoosier taxpayers are getting from these contracts considering the more than \$3 billion a year we are spending on them,” said Joe Moser, Indiana Medicaid Director. “We have made key changes to ensure Indiana Medicaid members are getting better coordinated health care and customer service from their Medicaid plan. We are confident we have selected the best managed care entities to meet or exceed these expectations.”

Anthem, MDwise and Managed Health Services are the current managed care entities serving the Healthy Indiana Plan and Hoosier Healthwise program. CareSource will be a new option for members.

There will be an open enrollment period later this year for Hoosier Healthwise members to switch plans, if desired, and Healthy Indiana Plan members are able to switch plans once a year at their eligibility renewal. FSSA will provide more information about the open enrollment period for Hoosier Healthwise members at a later date.

The Healthy Indiana Plan serves nearly 400,000 adults between the ages of 19 and 64 with incomes below 138 percent of the federal poverty level. Hoosier Healthwise serves about 600,000 children and pregnant women.

Indiana Medicaid has relied on managed care entities to serve Medicaid recipients since 1994, improving their quality of care and resulting in savings which is estimated to be between \$406 million to \$811 million over the last 20 years. The managed care entities provide a medical home responsible for all the members' physical and mental health needs, encouraging prevention and wellness.

Under the contracts, the managed care entities are paid for services provided based on a per-member per-month capitated payment. They share in the savings with the state if they coordinate care better than anticipated, keeping members healthy. They also keep the savings identified through their fraud identification and program integrity efforts, giving them an incentive to help the state identify fraud and abuse. The contracts include important consumer protections and limits on the amount of overall payment from the state that can be used by the managed care entities for administration and profits, ensuring taxpayer dollars are used primarily for patient care.

Contracting with the managed care entities will be dependent upon successful contract negotiations between the state and the companies. The companies will only be allowed to enroll members upon demonstration of their readiness to serve members as determined by FSSA under a readiness review process.

Under state law, Medicaid contracts are four years in duration, with two optional one-year extensions, necessitating the need for re-procurement at least every six years.

The health plans selected to serve Healthy Indiana Plan and Hoosier Healthwise members were chosen through a fair and open procurement process managed by the Indiana Department of Administration (IDOA) and FSSA. Plans were chosen based on their responses to a request for proposals (RFP) posted last October. Prospective vendors were assessed based on many factors, including their experience serving these populations and approaches to care coordination. A link to the award recommendation letter from IDOA can be found [here](#).

More information about the Healthy Indiana Plan can be found [here](#).

More information about the Hoosier Healthwise program can be found [here](#).

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